

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7909**

**BILL NUMBER:** SB 626

**NOTE PREPARED:** Jan 11, 2005

**BILL AMENDED:**

**SUBJECT:** Riverboats.

**FIRST AUTHOR:** Sen. Clark

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** The bill provides that a riverboat operating in a county along Lake Michigan or the Ohio River must have either a valid certificate of inspection from the United States Coast Guard or an alternative certification required by the Gaming Commission. The bill also provides a governmental entity or an employee acting within the scope of the employee's employment immunity from a loss resulting from the construction, operation, or management of the riverboat authorized for Orange County.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** *Riverboat Inspection:* The bill would allow a riverboat casino on Lake Michigan or the Ohio River to continue operating provided it has had an alternative certification in lieu of the certificate of inspection for carrying at least 500 passengers from the U. S. Coast Guard. As is the case with current Coast Guard inspections, the full cost of the alternative inspections presumably would be paid by the riverboat owner.

The U. S. Coast Guard issued a notice on June 21, 2004, in the Federal Register indicating that it intends to discontinue inspecting and issuing certificates of inspection for vessels that do not get under way or have difficulty getting under way (a permanently moored vessel). The proposed rules are scheduled to take effect on January 1, 2006. According to the Indiana Gaming Commission (IGC) some jurisdictions have utilized third party inspections with retired Coast Guard inspectors using Coast Guard inspection standards.

*State Immunity:* The bill provides that a governmental entity or an employee of a governmental entity acting within his or her scope of employment is not liable if a loss results from the construction, operation, or

management of the Orange County riverboat casino. This provision would prevent the state from being named in lawsuits against the casino operation in Orange County. The potential fiscal impact of this provision is indeterminable, as future court actions that could potentially arise against the state under current statute and their administrative impact on the IGC and the Office of the Attorney General can not be predicted.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Gaming Commission; Attorney General.

**Local Agencies Affected:**

**Information Sources:** American Gaming Association, <http://www.americangaming.org>.

**Fiscal Analyst:** Jim Landers, 317-232-9869.